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Backgrounder: aboriginal  
funding







# backgrounder

## Aboriginal Funding

### FEDERAL PROGRAMS DIRECTED TO ABORIGINAL PEOPLE 1997-98 FISCAL YEAR ABORIGINAL PROGRAM FUNDING

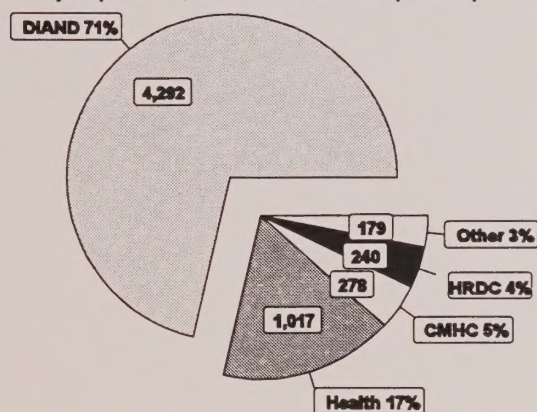
- ❑ Four departments (Department of Indian Affairs and Northern Development (DIAND), Health Canada, Canada Mortgage Housing Corporation (CMHC) and Human Resources Development Canada (HRDC)) are collectively responsible for 97% of total federal funding directed to Aboriginal people.
- ❑ DIAND's expenditures represent 71% of all federal funding directed to Aboriginal people, although the focus of DIAND's funding is almost exclusively the Registered Indian population on reserves.
- ❑ The administration of funding has largely been devolved to First Nations. In 1996/97, 82% of DIAND's funding was administered by First Nations and Inuit.
- ❑ Funding by other departments is "status-blind," directed to the overall Aboriginal population both on and off reserves.
- ❑ More than 80% of DIAND's Aboriginal programming expenditures are for basic services which are provided to other Canadians by provincial, municipal and territorial governments.

#### DIAND EXPENDITURES (4.3 billion)

	(\$M)
Schools, Infrastructure, Housing (23%)	983
Elementary/Secondary Education (21%)	899
Social Assistance (16%)	671
Claims (9%)	367
Social Support Services (8%)	361
Indian Gov't Support (8%)	339
Post-Secondary Education (6%)	275
Administration/Regional Direction/ Funding Services (3%)	122
Lands & Trust Services (2%)	92
Northern Affairs* (2%)	88
Economic Development (1%)	57
Self-Government (1%)	39

\* reflects proportion of expenditures on the Aboriginal vs. Non-Aboriginal population in the North

FEDERAL ABORIGINAL PROGRAM SPENDING  
by Department, 1997-98 Fiscal Year (\$million)



Other comprises:	(\$M)
Solicitor General	52
Industry	43
Canadian Heritage	32
Fisheries & Oceans	25
Natural Resources	13
Justice	8
Privy Council Office	3
National Defence	2
Public Service Comm	1
<b>Total</b>	<b>179</b>





## TRENDS IN FEDERAL EXPENDITURES

- ☐ Federal spending on Aboriginal programs will total about \$6.0 billion in 1997-1998 and involve 13 departments including Indian Affairs and Northern Development (DIAND).
- ☐ Aboriginal programs represent 5.7% of total federal program spending.

### **FUNDING**

Growth in DIAND's Aboriginal Program spending has been reduced from 11 percent in 1991-1992 to 2 percent in 1997-1998.

### **PRESSURES**

- ☐ *Population growth*: the Status Indian population is expected to grow at a rate of 2.3% on reserves and 2.4% off reserves, putting pressure on the funding of basic service programs (growth rate between 1997-2005).
- ☐ *Young population*: 50% of the Status Indian population is under age 25, raising the priority of equipping young people for the future.
- ☐ *Closing the gap in basic services*: addressing housing, health and safety issues (water and sewage treatment) is expensive and long-term.
- ☐ *Cost of providing services on reserves*: cost is also influenced by geographic location (45 percent of reserves are rural, 19 percent are remote and special access) and acute levels of poverty.
- ☐ *Significant progress* has been made but Aboriginal people still lag on virtually all socio-economic indicators.



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